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INFORMATION REPORT

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1. Leipziger Eisen- und Stahlwerke (VEB GUS) (formerly Meier & Weichelt),
Leipzig W 34, Gerh.-Ellrodt-Strasse.

The Leipziger Eisen- und Stahlwerke comprise plants at Leipzig-Grosszschocher, Lindenau, Bohlitz-Ehrenberg, and the iron foundry at Leipzig-Mölkau. The concern is under the direction of Walter Krause, with Offermann (fnu) serving as technical director and Fritz Nicklisch as cultural director. Krause is about 45 years old and married; Offermann is married; Nicklisch is married, with one child; all three are SED-members.

2. The installation of electric steel casting in the steel foundries is the most important project of this enterprise for 1951. As soon as the enlargement of the cast polishing plant, heretofore the factory's most serious bottleneck, is completed, the total monthly output during 1952 is expected to reach 1,500 tons, of which about 400 tons will be Siemens-Martin steel and 1,110 tons electro-steel. The present polishing facilities reduce the factory's capacity by 30 per cent, but every effort is being made to eliminate that bottleneck.
3. The average monthly production of steel castings is 700 tons, but the planned yearly production is set at 9,000 tons. Of these, 45 per cent constitute indirect reparations deliveries and 5 per cent are indirect exports. The monthly output of cast iron and pig iron castings is 1,000 tons; the planned yearly production is approximately 13,000 tons, which includes production of the iron foundry at Leipzig-Milkau. The quality of these castings is bad, especially in the case of the newly introduced thin-walled castings of cylinders for Automobilfabrik der SAG für Maschinenbau (SAG Avtovelo) (formerly BMW Eisenach), Eisenach, and for IFA-Zwickau (sic).^{*} The scrap quota (Ausschussquote) is constantly about 10 per cent. Pig iron constitutes 22 per cent of the initial ingredients (Roheisen wird 22% vom Einsatz gattiert). The scrap iron situation is expected to deteriorate during the coming year. The malleable iron foundry, under the able management of the engineer Hasenbeck, cited as an activist, who came to the DDR from West Germany in 1949, has reached a monthly production of 400 tons of good quality castings, thus attaining its planned production quota. The iron foundry at Leipzig-Milkau, which is under indifferent management, remains profitable through the manufacture of baking ovens.
4. During 1950, production of tracks for track-laying vehicles was discontinued, because the rejection rate was as high as 20 per cent. The average waste in the manufacture of steel castings ranges from 6 to 18 per cent, depending on the

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difficulties attending the production of each piece.

5. Repeated efforts by the steel plant to obtain storage and crane installations from VVB ABUS have so far been unsuccessful, because the plant is not one of the 24 enterprises on the "critical" list.
6. The reconstruction of the central laboratory for foundry research at Grosszschocher is expected to be completed by the end of 1951 or the beginning of 1952. The laboratory is to be under the direction of Professor Sper, who is to succeed Dr. Althoff. The Leipziger Eisen- und Stahlwerke also have a plant-operated school for foundry work for the training of foremen and technicians and in the future also of engineers, from the entire DDR.
7. Elektro-Stahlgusswerk Leipzig-West (VEB GUS) (formerly Max Jahn Stahl- und Eisengiesserei GmbH), Leipzig W 35, Georg-Schwarz-Strasse 181-183.

The plant produces 600 - 700 tons of electro-steel a month, or 95 per cent of its production quota, mainly castings in large pieces. The plant specializes increasingly in ships' screws for Soviet ships, so that 40 to 60 per cent of its monthly production goes into indirect reparations deliveries. The polishing installations for castings constitute a principal bottleneck which reduces the production capacity of the plant by some 15 per cent. 800,000 DM have been requested for installation of equipment to eliminate the bottlenecks. Large funds are also required for vertical expansion; there is no space for expansion through the erection of adjacent buildings.

8. Metallgusswerk Leipzig (VEB GUS) (formerly Metallgussgesellschaft mbH), Böhrlitz-Ehrenberg, Leipzig W 35, Merseburger Landstrasse.

The plant employs approximately 1,300 workers. It is under the direction of (fnu) Kretschmar, who also serves as technical director, while Franz Krüger serves as cultural director. Kretschmar is married, and both he and Krüger are SED-members.

9. Production has consisted chiefly of aluminum and magnesium form castings. The total yearly output of light metal castings amounts to approximately 2,000 - 2,500 tons. The plant was recently enlarged by the expansion of a Siemens-Martin steel foundry which, with its present two oil-burning furnaces, will be able to produce 500 tons monthly. The foundry makes an essential contribution to the raw material situation of the DDR through its manufacture of 300 tons of supplementary synthetic iron (synthetisches Zusatzisen). This iron, made from scrap and cast-metal scrap with small additions of ferro-alloys, is used to supply the demand for crude iron; but it is not liked by the foundries because of its brittleness (low tensile strength).

* Comment: There are two automobile factories at Zwickau under VVB IFAs: Werk Horch, Zwickau, Crimmitschauer Strasse 67; and Werk Audi, Zwickau, Walter-Rathenau-Strasse 51.

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